

IRS News Release

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Schedule C-EZ Change Means Savings for Small Businesses

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WASHINGTON — The Internal Revenue Service today announced it will expand the number of small businesses eligible to file a simplified expense form, a move that will save money and reduce paperwork burden.

The IRS will double the business expense threshold to \$5,000 from \$2,500 for filing the Form 1040, Schedule C-EZ. The change will mean a savings of 5 million hours of paperwork burden for small business taxpayers. The threshold change means approximately 500,000 more small businesses – a 15 percent increase – will be able to file the Schedule C-EZ.

“This is another example of the IRS taking the lead in reducing the burden on taxpayers. The IRS’ Office of Taxpayer Burden Reduction is continually reviewing what steps we might take that will save money and work hours for both businesses and individuals,” said Mark W. Everson, Commissioner of the IRS.

The Form 1040, Schedule C-EZ was first established in 1992. It was intended to make it easier for small businesses with modest expenses to file a simplified form. Small business owners that file a Form 1040 use the Schedule C to report profits and expenses.